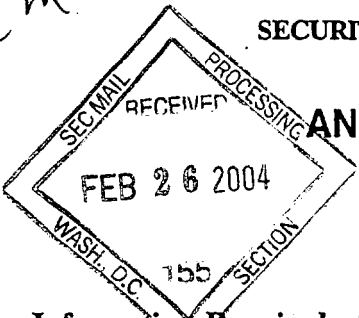


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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

BIB 3/5

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
Estimated average burden hours per response . . .	12.00

SEC FILE NUMBER
8- 21380

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/1/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

Monness, Crespi, Hardt & Co., Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

767 Third Avenue

(No. and Street)

New York

(City)

New York

(State)

10017

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Neil Crespi

(212) 838-7575

(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Vassallo, Vincent R.

(Name — if individual, state last, first, middle name)

16 Porter Place, Sea Cliff, New York

11579

(Address)

(City)

(State)

Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**

**MAR 19 2004**

**THOMSON  
FINANCIAL**

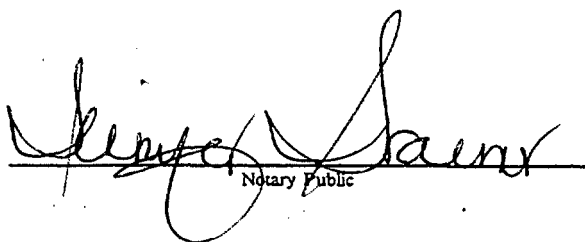
FOR OFFICIAL USE ONLY

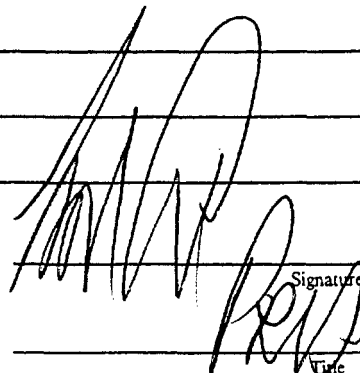
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(1).

2200

## OATH OR AFFIRMATION

I, Neil Crespi, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Monness, Crespi, Hardt & Co., Inc., as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

  
Notary Public

  
Signature  
Title

JENNIFER TRAINOR  
Notary Public, State of New York  
No. 01TR5013422 Qualified in Nassau Co.  
Commission Expires July 15, 2007

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~Changes in Financial Condition~~ Cash Flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

Included in Accountants' Certificate

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FORM  
X-17A-5

FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART IIA ☐ 12

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) ☒ 16

2) Rule 17a-5(b) ☐ 17

3) Rule 17a-11 ☐ 18

4) Special request by designated examining authority ☐ 19

5) Other ☐ 26

NAME OF BROKER-DEALER Monness, Crespi, Hardt & Co., Inc.

SEC. FILE NO.

8 21380 ☐ 14

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.)

FIRM ID NO.

13-2878577 ☐ 15

767 Third Avenue

FOR PERIOD BEGINNING (MM/DD/YY)

1/1/03 ☐ 24

(No. and Street)

AND ENDING (MM/DD/YY)

New York

☐ 21

NY

☐ 22

10017

☐ 23

12/31/03

☐ 25

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

Neil Crespi

☐ 30

(212) 838-7575

☐ 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

☐ 32

☐ 33

☐ 34

☐ 35

☐ 36

☐ 37

☐ 38

☐ 39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ? YES ☐ 40 NO ☒ 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT ☒ 42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 25th day of February 20 03

Manual Signatures of

1)

Principal Executive Officer or Managing Partner

2)

Principal Financial Officer or Partner

3)

Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )

NYSE

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

Vassallo Vincent Robert

70

ADDRESS

Number and Street

City

State

Zip Code

16 Porter Place

Sea Cliff

NY

11579

71

72

73

74

Check One

( ☒ ) Certified Public Accountant

75

( ☐ ) Public Accountant

76

( ☐ ) Accountant not resident in United States or  
any of its possessions

77

FOR SEC USE

DO NOT WRITE UNDER THIS LINE ... FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

# VINCENT R. VASSALLO

CERTIFIED PUBLIC ACCOUNTANT

16 PORTER PLACE  
SEA CLIFF, NEW YORK 11579  
TEL: (516) 759-1994 FAX: (516) 759-7109

## ACCOUNTANTS' CERTIFICATE

Monness, Crespi, Hardt & Co., Inc.  
767 Third Avenue  
New York, New York 10017

Gentlemen:

We have examined the Focus Report of Monness, Crespi, Hardt & Co., Inc. as of December 31, 2003. Our examination was made in accordance with generally accepted auditing standards, and accordingly included a review of the system of internal control and the procedures for safeguarding securities and such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including the audit procedures prescribed by the Securities and Exchange Commission. As a result of our audit, we have concluded that there are no material inadequacies in the system of internal control and procedures for safe-guarding securities.

In our opinion, the accompanying Focus Report presents fairly the financial position of Monness, Crespi, Hardt & Co., Inc. as of December 31, 2003 in the form required by the Securities and Exchange Commission in conformity with generally accepted accounting principles, consistently applied.

  
CERTIFIED PUBLIC ACCOUNTANT

Sea Cliff, New York  
February 23, 2004

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

**BROKER OR DEALER** Monness, Crespi, Hardt & Co., Inc.

**N 3**

**100**

## STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY) 12/31/03

SEC FILE NO. 8-21380

Consolidated

Unconsolidated ☒

**99**

**98**

**198**

**199**

### ASSETS

#### Allowable

#### Non-Allowable

#### Total

1. Cash	\$ 54,718	200	\$ 54,718	750
2. Receivables from brokers or dealers:				
A. Clearance account	2,225,553	295		
B. Other	750,000	300	2,975,553	810
3. Receivables from non-customers		355	245,535	830
4. Securities and spot commodities owned, at market value:				
A. Exempted securities		418		
B. Debt securities		419		
C. Options		420		
D. Other securities		424		
E. Spot commodities		430		850
5. Securities and/or other investments not readily marketable:				
A. At cost	\$ 153,800	130		
B. At estimated fair value		440	153,800	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:		460	630	880
A. Exempted securities	\$ 150			
B. Other securities	\$ 160			
7. Secured demand notes:		470	640	890
market value of collateral:				
A. Exempted securities	\$ 170			
B. Other securities	\$ 180			
8. Memberships in exchanges:				
A. Owned, at market	\$ 190			
B. Owned, at cost			650	
C. Contributed for use of the company, at market value			660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization		490	434,619	920
11. Other assets		535	72,378	930
12. TOTAL ASSETS	\$ 3,030,271	540	\$ 906,332	740
			\$ 3,936,603	940

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER Monness, Crespi, Hardt & Co. Inc.

as of 12/31/03

## STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

### LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable .....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account .....	1114	1315	1560
B. Other .....	1115	1305	1540
15. Payable to non-customers .....	1155	1355	1610
16. Securities sold not yet purchased, at market value: .....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other .....	1,700,225 1205	1385	1,700,225 1685
18. Notes and mortgages payable:			
A. Unsecured .....	1210		1690
B. Secured .....	1211	1390	1700
19. E. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings: .....		750,000 1400	750,000 1710
1. from outsiders \$ .....	970		
2. Includes equity subordination (15c3-1(d)) of ... \$ .....	980		
B. Securities borrowings, at market value from outsiders \$ .....	990	1410	1720
C. Pursuant to secured demand note collateral agreements .....		1420	1730
1. from outsiders \$ .....	1000		
2. Includes equity subordination (15c3-1(d)) of ... \$ .....	1010		
D. Exchange memberships contributed for use of company, at market value .....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes .....	1220	1440	1750
20. TOTAL LIABILITIES .....	\$ 1,700,225 1230	\$ 750,000 1450	\$ 2,450,225 1760

### Ownership Equity

21. Sole proprietorship .....	\$ 1770
22. Partnership (limited partners) .....	\$ 1020 1780
23. Corporation:	
A. Preferred stock .....	1791
B. Common stock .....	20,000 1792
C. Additional paid-in capital .....	55,000 1793
D. Retained earnings .....	1,411,378 1794
E. Total .....	1,486,378 1795
F. Less capital stock in treasury .....	( ) 1796
24. TOTAL OWNERSHIP EQUITY .....	\$ 1,486,378 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....	\$ 3,936,603 1810

OMIT PENNIES

# FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **Monness, Crespi, Hardt & Co., Inc.**

as of 12/31/03

### COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition.....	\$	1,486,378	3480
2. Deduct ownership equity not allowable for Net Capital.....	(		3490
3. Total ownership equity qualified for Net Capital.....		1,486,378	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....		750,000	3520
B. Other (deductions) or allowable credits (List).....			3525
5. Total capital and allowable subordinated liabilities.....	\$	2,236,378	3530
6. Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C).....	\$	906,332	3540
B. Secured demand note deficiency.....			3590
C. Commodity futures contracts and spot commodities:			
proprietary capital charges.....		3600	
D. Other deductions and/or charges.....		3610	
		906,332	3620
7. Other additions and/or allowable credits (List).....			3630
8. Net capital before haircuts on securities positions.....	\$	1,330,046	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments.....	\$	3660	
B. Subordinated securities borrowings.....		3670	
C. Trading and investment securities:			
1. Exempted securities.....		3735	
2. Debt securities.....		3733	
3. Options.....		3730	
4. Other securities.....		3734	
D. Undue Concentration.....		3650	
E. Other (List).....		3736	
			3740
10. Net Capital.....	\$	1,330,046	3750

OMIT PENNIES



# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **Monness, Crespi, Hardt & Co., Inc.**

as of **12/31/03**

### COMPUTATION OF NET CAPITAL REQUIREMENT

#### Part A

11. Minimum net capital required (6 2/3% of line 19)	\$ 113,348	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$ 100,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$ 113,348	3760
14. Excess net capital (line 10 less 13)	\$ 1,216,698	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$ 1,160,023	3780

### COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.L. liabilities from Statement of Financial Condition	\$ 1,700,225	3790
17. Add:		
A. Drafts for immediate credit	\$ 3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$ 3810	
C. Other unrecorded amounts (List)	\$ 3820	3830
19. Total aggregate indebtedness	\$ 1,700,225	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ line 10)	% 128	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)	% N/A	3860

### COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

#### Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$ N/A	3970
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$ 3880	
24. Net capital requirement (greater of line 22 or 23)	\$ 3760	
25. Excess capital (line 10 less 24)	\$ 3910	
26. Net capital in excess of the greater of:		
A. 5% of combined aggregate debit items or \$120,000	\$ N/A	3920

#### NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6 2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER **Monness, Crespi, Hardt & Co., Inc.**

For the period (MMDDYY) from **1/1/03** **3932** to **12/31/03** **3933**  
 Number of months included in this statement **12** **3931**

### STATEMENT OF INCOME (LOSS)

#### REVENUE

1. Commissions:		
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$ 22,665,378	3935
b. Commissions on listed option transactions		3938
c. All other securities commissions		3939
d. Total securities commissions		3940
2. Gains or losses on firm securities trading accounts		
a. From market making in options on a national securities exchange		3945
b. From all other trading		3949
c. Total gain (loss)		3950
3. Gains or losses on firm securities investment accounts		3952
4. Profit (loss) from underwriting and selling groups	\$ 183,327	3955
5. Revenue from sale of investment company shares		3970
6. Commodities revenue		3990
7. Fees for account supervision, investment advisory and administrative services		3975
8. Other revenue	165	3995
9. Total revenue	\$ 22,848,870	4030

#### EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers	\$ 3,067,885	4120
11. Other employee compensation and benefits	\$ 6,959,325	4115
12. Commissions paid to other broker-dealers	3,547,896	4140
13. Interest expense	2,676	4075
a. Includes interest on accounts subject to subordination agreements	2631	4070
14. Regulatory fees and expenses		4195
15. Other expenses	7,995,982	4100
16. Total expenses	\$ 21,573,764	4200

#### NET INCOME

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$ 1,275,106	4210
18. Provision for Federal income taxes (for parent only)		4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4222
a. After Federal income taxes of	4338	
22. Extraordinary gains (losses)		4224
a. After Federal income taxes of	4239	
21. Cumulative effect of changes in accounting principles		4225
22. Net income (loss) after Federal income taxes and extraordinary items	\$ 1,275,106	4230

#### MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$ N/A	4211
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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER    Monness, Crespi, Hardt & Co., Inc.

For the period (MMDDYY) from 1/1/03 to 12/31/03

## STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period .....	\$	1,473,517	4240
A. Net income (loss) .....		1,275,106	4250
B. Additions (Includes non-conforming capital of .....	\$		4260
C. Deductions (Includes non-conforming capital of .....	\$	1,262,245	4270
2. Balance, end of period (From Item 1800) .....	\$	1,486,378	4290

## STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period .....	\$	750,000	4300
A. Increases .....			4310
B. Decreases .....			4320
4. Balance, end of period (From Item 3520) .....	\$	750,000	4330

OMIT PENNIES

# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER Monness, Crespi, Hardt & Co., Inc.

as of 12/31/03

## Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-1 is claimed, identify below the section upon which such exemption is based (check one only)

- |   |      |
|---|------|
| A. (k) (1) — \$2,500 capital category as per Rule 15c3-1  | 4550 |
| B. (k) (2)(A) — "Special Account for the Exclusive Benefit of customers" maintained                         | 4560 |
| C. (k) (2) (B) — All customer transactions cleared through another broker-dealer on a fully disclosed basis | 4570 |
| Name of clearing firm <u>Deutsche Bank Securities Inc. 4335</u>   | X    |
| D. (k) (3) — Exempted by order of the Commission (include copy of letter)                                   | 4580 |

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual (See below for code)	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (Yes or No)
<u>4600</u>	<u>4601</u>	<u>4602</u>	<u>4603</u>	<u>4604</u>	<u>4605</u>
<u>4610</u>	<u>4611</u>	<u>4612</u>	<u>4613</u>	<u>4614</u>	<u>4615</u>
<u>4620</u>	<u>4621</u>	<u>4622</u>	<u>4623</u>	<u>4624</u>	<u>4625</u>
<u>4630</u>	<u>4631</u>	<u>4632</u>	<u>4633</u>	<u>4634</u>	<u>4635</u>
<u>4640</u>	<u>4641</u>	<u>4642</u>	<u>4643</u>	<u>4644</u>	<u>4645</u>

Total \$ 0 4699

OMIT PENNIES

Instructions: Detail Listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and anticipated accruals which would cause a reduction of Net Capital. These anticipated accruals would include amounts of bonuses, partners' drawing accounts, taxes, and interest on capital, voluntary contributions to pension or profit sharing plans, etc., which have not been deducted in the computation of Net Capital, but which you anticipate will be paid within the next six months.

WITHDRAWAL CODE:	DESCRIPTIONS
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals

MONNESS, CRESPI, HARDT & CO., INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2003

Increase (Decrease) in Cash

Cash flows from operating activities:	
Net income	\$ 1,275,106
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	184,596
Change in assets and liabilities:	
(Increase) decrease in:	
Receivables from clearing brokers	969,990
Receivables from non-customers	(22,682)
Other assets	(68,560)
Increase (decrease) in:	
Accounts payable	(1,051,027)
Retained earnings	<u>(1,262,245)</u>
Net increase in cash	25,178
Cash, beginning of period	<u>29,540</u>
Cash, end of period	<u>\$ 54,718</u>

The accompanying notes are an integral part of this statement.

MONNESS, CRESPI, HARDT & CO., INC.

RECONCILIATION OF COMPUTATION OF NET CAPITAL  
DECEMBER 31, 2003

<u>Line Description</u>	<u>Per Audited Report</u>	<u>Per Unaudited Report</u>	<u>Increase (Decrease) Net Capital</u>	<u>Explanation</u>
3480 Total ownership equity	\$1,486,378	\$1,473,516	\$12,862	Year end Adjustment
3520 Liabilities subordinated	750,000	750,000	-	
3540 Less non-allowable assets	<u>906,332</u>	<u>946,554</u>	<u>53,084</u>	Year end Adjustment
3750 Net capital	<u>\$1,330,046</u>	<u>\$1,276,962</u>	<u>\$ 53,084</u>	

MONNESS, CRESPI, HARDT & CO., INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003

Note 1 - Inception of Operations:

The Company commenced its business operations on February 11, 1977. The Company is a member of the N.A.S.D. and its principal business consists of being a broker dealer.

Note 2 - Net Capital:

The Company is a registered broker dealer subject to the SEC uniform net capital rule. This rule requires that the Company maintains a minimum net capital, as defined, of one-fifteenth of aggregate indebtedness or \$100,000, whichever is greater.